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March 26, 2021

VIA ELECTRONIC FILING

Jocelyn G. Boyd, Esquire
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

RE: Docket No. 2020-247-A
Public Service Commission Review of Regulations Chapter 103
Pursuant to S.C. Code Ann. Section 1-23-120(J)

Dear Ms. Boyd:

The South Carolina Office of Regulatory Staff ("ORS") intends to participate at the Workshop the Public Service Commission of South Carolina ("Commission") scheduled for April 5, 2021, to discuss S.C. Code Ann. Reg. 103-823 and the Commission Staff's proposed minimum filing requirements. ORS appreciates the opportunity to provide the following comments and recommendations regarding the Commission Staff's proposed minimum filing requirements:

Florida Schedules

B-1 (Adjusted Base Rates)

ORS recommends including information on allowance for funds used during construction ("AFUDC") that is included in construction work in progress. In addition, generally, not all components of rate base are calculated using a thirteen-month average in South Carolina. ORS recommends the schedule be adapted so that the utility indicates what method it uses to calculate each component of rate base.

B-2 (Rate Base Adjustments), B-3 (13-Month Average Balance Sheet – System Basis), B-4 (Two Year Historical Balance Sheet), B-8 (Monthly Plant Balances Test Year – 13 Months), B-10 (Monthly Reserve Balances Test Year – 13 Months), and B-15 (Property Held for Future Use – 13 Month Average)

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Generally, not all components of rate base are calculated using a thirteen-month average in South Carolina. ORS recommends these schedules be adapted so that the utility indicates what method it uses to calculate each component of rate base.

B-7 (Plant Balances by Account and Sub-Account) and B-9 (Depreciation Reserve Balances by Account and Sub-Account)

ORS recommends adding a section for information regarding contributions in aid of construction (“CIAC”), if applicable.

B-11 (Capital Additions and Retirements)

ORS recommends not requiring projections for a full year beyond the test year. ORS normally recommends allowing what is incurred as of a certain date, not a full year after the test year.

B-14 (Earnings Test)

ORS recommends a full explanation for this schedule be provided.

B-17 (Working Capital – 13 Month Average)

The methodology used in this schedule appears to be different from the methodology that has historically been used in South Carolina.

B-22 (Tax Accumulated Deferred Income Taxes) and B-23 (Investment Tax Credits – Annual Analysis)

Clarification is needed regarding meaning of “historical base year.”

C-1 (Adjusted Jurisdictional Net Operating Income), C-2 (Net Operating Income Adjustments), C-3 (Jurisdictional Net Operating Income Adjustments), C-12 (Administrative Expenses), C-13 (Miscellaneous General Expenses), C-14 (Advertising Expenses), and C-18 (Lobbying Expenses, Other Political Expenses and Civic/Charitable Contribution)

Clarification is needed regarding reference to “most recent historical year.”

C-4 (Jurisdictional Separation Factors – Net Operating Income), C-6 (Budgeted Versus Actual Operating Revenues and Expenses), and C-16 (Outside Professional Services)

ORS recommends excluding projected. For C-6, ORS recommends removing projected or the entire schedule.

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C-20 (Taxes other than Income Taxes), C-21 (Revenue Taxes), and C-22 (State and Federal Income Tax Calculation)

Clarification is needed regarding meaning of “historical base year.” For C-22, ORS also recommends removing projected and changing the state income tax rate to match South Carolina’s state income tax rate.

C-33 (Performance Indices)

ORS recommends clarification on what selected growth indices and growth rates are to be used for the information provided in the schedule.

C-37 (O & M Adjustments by Function), C-39 (Benchmark Year Recoverable O & M Expenses by Function, C-40 (O & M Compound Multiplier Calculation), and C-41 (O & M Benchmark Variance by Function)

Clarification is needed regarding “benchmark” and “benchmark year” references.

D-4b (Reacquired Bonds)

ORS recommends including a full explanation of this schedule.

F-1 (Annual and Quarterly Report to Shareholders), F-2 (SEC Reports), and F-4 (NRC Safety Citations)

ORS recommends including full explanations of these schedules.

F-3 (Business Contracts with Officers or Directors)

ORS recommends removing the reference to the Florida Administrative Code.

Arkansas Schedules

A-1 (Calculation of Requested Increase in Revenue Requirement)

ORS recommends removing partially projected information.

B-2 (Adjustments to Test Year Rate Base)

ORS recommends removing projected original cost from explanation.

B-3 (Derivation of Test Year Rate Base)

ORS recommends removing projected column 4. This makes column 5 unnecessary such that it can be removed.

B-4 (Calculation of Working Capital Assets) and B-5 (Average Working Capital Asset Account Balances)

The methodology used in these schedules appears to be different from the methodology that historically has been used in South Carolina.

B-6 (Non-Utility Property and Entertainment Facilities)

ORS recommends removing projected column 5, which makes column 6 unnecessary such that it can be removed.

B-7 (Plant Held for Future Use)

ORS recommends removing projected columns 7 and 10, which makes columns 8 and 11 unnecessary such that they can be removed.

B-10 (Acquisition Adjustments)

ORS recommends removing projected columns 6, 9, and 12, which makes columns 7, 10, and 13 unnecessary such that they can be removed.

C-3 (Derivation of Test Year Statement of Utility Operating Income)

ORS recommends removing projected column 4, which makes column 5 unnecessary such that it can be removed.

C-4 (Calculation of Percentage of Uncollectible Accounts and Forfeited Discounts)

ORS recommends removing last sentence from explanation as it refers to partially projected test year.

C-5 (Calculation of Revenue Conversion Factor)

South Carolina corporate tax rate should be used instead of Arkansas rate.

C-6 (Other Expenditures) and C-7 (Advertising and Marketing)

ORS recommends removing projected column 5.

C-10 (Accumulated Deferred Income Taxes)

ORS recommends removing historical portion of a projected test year from explanation.

E-1 (Balance Sheet – Total Company)

ORS recommends removing historical portion of a partially projected test year from explanation.

E-2 (Income Statement – Total Company)

ORS recommends removing reference to 6 months ending with last historical month if using a projected test year.

E-3 (Other Income and Deductions)

The explanation should be changed to reflect historical test year. Also, projected column 2 should be removed, which would make column 3 unnecessary such that it can be removed.

E-11.1 (Per Book Billing Determinants and Revenues – Test Year)

ORS recommends removing projected portion from explanation.

E-17 (Trial Balance)

ORS recommends removing projected portions from I., II., and III.

The above comments are based on ORS's review to date of the Commission Staff's proposal during the limited time period provided. ORS reserves its right to further comment if specific regulations are proposed in draft form under S.C. Code § 1-23-110 *et seq.* ORS appreciates the opportunity to further address these comments at the Workshop scheduled for April 5th and reserves the right to reply to comments provided by other parties.

Thank you for your assistance in this matter.

Sincerely,



Christopher M. Huber

cc: All Parties of Record (via e-mail)
David Butler, Esquire (via e-mail)